



# BCP GLOBAL EQUITY ABSOLUTE RETURN BOND

**A CAPITAL SECURE BOND THAT AIMS TO PROVIDE  
ABSOLUTE EQUITY RETURNS WITH LOW VOLATILITY**

- Underlying fund has a proven track record of consistent returns and low volatility
- 200% or 120% Participation in the Performance of the Fund
- Capital Security of **92%** or **97%** provided at maturity by Bank of Ireland
- Investment Term 5 years
- **Closing Date 14th June 2016**
- CAPITAL SECURITY PROVIDED BY BANK OF IRELAND



**BCP** SERVING INVESTORS FOR OVER 45 YEARS  
[www.bcp.ie](http://www.bcp.ie) [invest@bcp.ie](mailto:invest@bcp.ie)



# BCP GLOBAL EQUITY ABSOLUTE RETURN BOND

The BCP Global Equity Absolute Return Bond offers investors access to the performance of a fund which targets positive investment returns in different market cycles, with the additional benefit of 92% or 97% capital security provided by Bank of Ireland at maturity. The Bond will pay investors a return based on the performance of the Old Mutual Global Equity Absolute Return (GEAR) Fund ("the Fund") over the 5 year investment Term. There is no limit to the maximum return that can be earned from the Bond.

## ABOUT OLD MUTUAL GLOBAL INVESTORS (OMGI)

OMGI is a UK private asset management company with origins dating back to 1984. It is a wholly owned subsidiary of Old Mutual plc, a FTSE 100 listed company. Old Mutual plc is a leading international banking and investment group that has been serving insurance and investment customers for over 165 years. OMGI currently employs over 240 people and has assets under management of over €26bn. OMGI manages a range of funds for investors that cover all major asset classes including equities, multi-asset and alternatives.

## SUMMARY OF THE OLD MUTUAL GEAR FUND

- Market neutral portfolio of global equities
- Target return of cash plus 6% net of fees
- Target volatility of 5-6%
- Aiming to achieve absolute returns that are independent to global equity and bond markets
- Fund has a flexible and dynamic investment approach
- Fund targets a stable risk/return profile

## THE INVESTMENT STRATEGY

The objective of the Fund is to achieve capital appreciation while closely controlling risk. The fund managers believe that markets are not fully efficient and that share prices diverge from their fundamental value due to investors' behavioural biases. The Old Mutual team builds a diversified portfolio of companies that is expected to outperform in the current macroeconomic environment while applying stringent risk-management techniques and maintaining strict limits on sector and stock positions.

Each stock in the investment universe is evaluated based on 5 key characteristics to determine whether the company is suitable for inclusion in the fund and how much weight it should be given if selected. As a result the investment strategy is a blend of value, growth, momentum and quality and this blend will vary depending on the prevailing market environment.



- 1. Dynamic Valuation:** The Fund blends a sophisticated valuation model with measures of stock quality and seeks attractive valuations considering both historic and forecast information.
- 2. Sustainable Growth:** The Fund seeks strong but stable growth characteristics and protection from downturns in economic growth cycles.
- 3. Analyst Sentiment:** Markets react to analyst predictions. The Fund captures behavioural aspects of the reaction to analyst forecasts, and highlights short-term opportunities.
- 4. Company Management:** Evidence of strong management teams making good investment decisions and efficient use of capital.
- 5. Market Dynamics:** The Fund looks for stable trends that are likely to persist and avoiding bubbles by looking for trends with fundamental support.

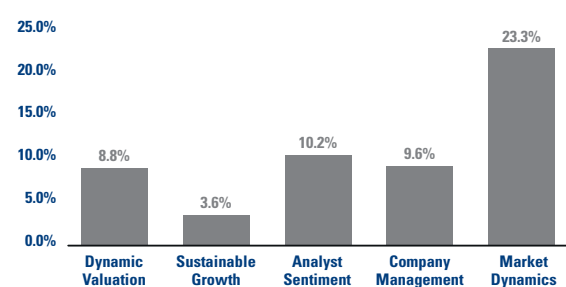
# BCP GLOBAL EQUITY ABSOLUTE RETURN BOND

## WHY ABSOLUTE RETURN GLOBAL EQUITY

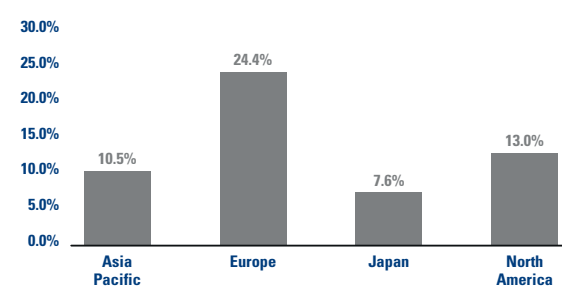
Global equity markets rallied strongly from the bottom of the financial crisis in March 2009 up to the middle of 2015. Since then markets have endured higher levels of volatility as concerns have arisen over the strength of the global economic recovery. This volatility has led to large drawdowns over short periods of time and given the uncertainty surrounding future equity market growth we believe it is an appropriate time within a diversified portfolio to make an allocation to an absolute return global equity strategy that targets moderate and consistent positive returns at low levels of volatility.

## KEY DRIVERS OF PERFORMANCE SINCE LAUNCH

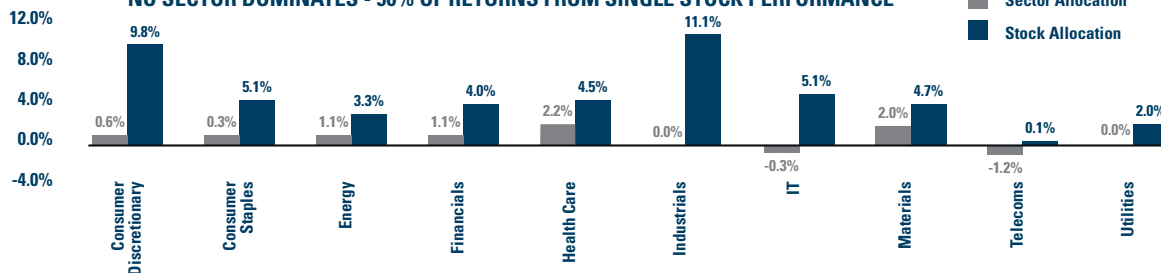
POSTIVE RETURNS FROM ALL OF FIVE STOCK SELECTION CRITERIA



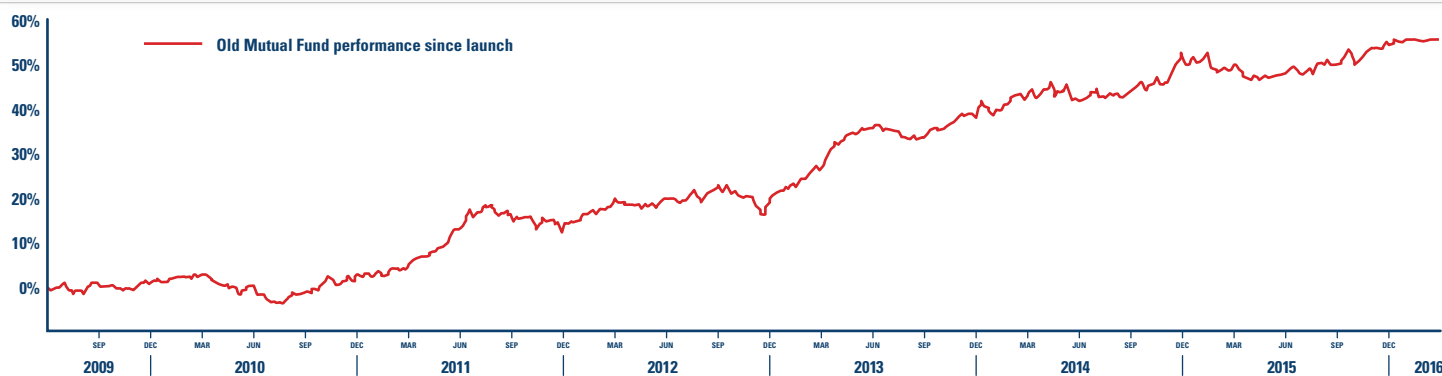
POSTIVE RETURNS IN ALL REGIONS



NO SECTOR DOMINATES - 90% OF RETURNS FROM SINGLE STOCK PERFORMANCE



Source: OMGI as at 31/01/2016. Fund launch date: 01/07/2009.



	Performance	Dates
Average 5 year Perf	47.4%	01/07/2009 to 31/01/2016
Best 5 year Perf	54.9%	30/08/2010 to 27/08/2015
Worst 5 year Perf	40.5%	27/08/2009 to 27/08/2014
Recent 5 year Perf	50.5%	01/02/2011 to 31/01/2016

Source: Bloomberg as of January 31st 2016. Performance is shown net of fees and gross of taxation. Performance shown represents the OMEIEHA share class of the Fund which launched July 1st 2009. The BCP Bond tracks the OMEAEHA share class of the Fund which launched November 25th 2011. Both share classes are identical except for the level of fees charged. The OMEAEHA share class has annual management charge of 1.5% whereas the OMEIEHA has an annual management charge of 0.75%. We have chosen to show the share class with the longest track record to give the most accurate representation of fund performance over the longest possible timeframe.

**WARNING: Past performance is not a reliable guide to future performance.**



# BCP GLOBAL EQUITY ABSOLUTE RETURN BOND

REVIEW YOUR PORTFOLIO ONLINE  
[crm.bcp.ie](http://crm.bcp.ie)



INVESTORS HAVE TWO BOND VERSIONS TO CHOOSE FROM WITHIN THIS STRUCTURE. THESE HAVE BEEN DESIGNED TO CATER FOR VARYING RISK AND RETURN REQUIREMENTS OF INDIVIDUAL INVESTORS:

## BCP GLOBAL EQUITY ABSOLUTE RETURN BOND **GROWTH PLUS VERSION**

At the end of the 5 year Term, the Growth Plus Version will pay 92% of the capital invested plus 200% of the Performance achieved by the Old Mutual Global Equity Absolute Return (GEAR) Fund over the investment term. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the Old Mutual GEAR Fund is 40% over the term of the Bond, the return to investors will be 92% of the capital invested plus 80% (40% x 200%) giving a Gross Return of 72%. As the 72% return in this case is above the 40% Performance Fee hurdle rate, a 2% Performance Fee will be deducted from the Gross Return and paid to BCP with a return of 70% paid to investors. This is equivalent to 14.0% per annum (CAR 11.2%). Even if the Performance of the Fund is negative over the term of the Bond, 92% of the capital invested will be returned.

## BCP GLOBAL EQUITY ABSOLUTE RETURN BOND **GROWTH VERSION**

At the end of the 5 year Term, the Growth Version will pay 97% of the capital invested plus 120% of the Performance achieved by the Old Mutual GEAR Fund over the investment term. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the Old Mutual GEAR Fund is 40% over the term of the Bond, the return to investors will be 97% of the capital invested plus 48% (40% x 120%) giving a Gross Return of 45%. As the 45% return in this case is above the 40% Performance Fee hurdle rate, a 2% Performance Fee will be deducted from the Gross Return and paid to BCP with a return of 43% paid to investors. This is equivalent to 8.6% per annum (CAR 7.4%). Even if the Performance of the Fund is negative over the term of the Bond, 97% of the capital invested will be returned.

## PERFORMANCE FEES

If at the end of the 5 year Term the Gross Return of the Bond is between 18% and 39.99%, then a Performance Fee of 1% will be deducted from the Gross Return and paid to BCP. If at the end of the 5 year Term the Gross Return of the Bond is 40% or greater, then a Performance Fee of 2% will be paid to BCP in respect of that version. The Performance Fee is paid in addition to the initial fee paid to BCP, as described in the Key Features on page 6.

**Warning: The figures above are provided only to show how the Bond works; they should not be taken as an indication of potential returns. The return to you will depend on the version of the Bond you invest in and the actual Performance of the Fund which cannot be predicted in advance. Warning: The value of your investment may go down as well as up, you may get back less than you invest. Warning: If you invest in this product, at maturity you could lose 3% (Growth Version) or 8% (Growth Plus Version) of the money you invest. Warning: If you invest in this product, you will not have any access to your money for 5 years. Warning: The return on your investment in this product may be affected by changes in currency exchange rates.**

CAR is Compound Annual Return.

MINIMUM INVESTMENT €20,000 | CLOSING DATE 14TH JUNE 2016



# BCP GLOBAL EQUITY ABSOLUTE RETURN BOND

## KEY FEATURES



### HOW DOES THE BCP GLOBAL EQUITY ABSOLUTE RETURN BOND WORK?

The product producer of the BCP Global Equity Absolute Return Bond is BCP Asset Management DAC, 71 Upper Leeson Street, Dublin 4. Your entire investment is allocated to a 5 year Global Equity Absolute Return Bond. At the end of the 5 year Term, the percentage performance (gain or loss) of the Fund is calculated. This performance will then be multiplied by 200% (Growth Plus Version) or 120% (Growth Version), to determine the interest to be added to the capital secure amount in each bond version. The Growth Plus and Growth Versions offer 92% and 97% capital security respectively.

**SUITABILITY** | The Bond is not suitable for investors who require regular income or require access to their capital before maturity. The Bond is suitable only as a capital growth investment. The return on the Bond will depend on the Performance of the Fund and will only be determined at the end of the term. No withdrawals may be made before the maturity of the Bond on 24th June 2021. Your money is not invested in the Fund, therefore, you do not benefit from any dividends paid by the Fund, but you will benefit from the dividends and income earned within the Fund during the term of the Bond. In order to protect the performance of the Fund from volatility towards the end of the term, the Final Price will reflect the average price of the Fund on a monthly basis over the final 18 months of the 5 year Term. The effect of averaging is to protect returns in a falling market but conversely it may restrict growth in a rising market. A Performance Fee of 1% will be deducted if the Gross Return of a Bond Version is between 18% and 39.99% at maturity. If the Gross Return of a Bond Version is 40% or higher then a Performance Fee of 2% will be paid to BCP at maturity. The return on your investment in this product may be affected by changes in currency exchange rates.

**CAPITAL SECURITY** | Capital security at maturity is provided by Bank of Ireland. In the event Bank of Ireland fails to meet its liabilities, you could lose some or all of your money. Note your investment is not covered by the Deposit Guarantee Scheme.

### WHERE DOES MY INVESTMENT IN THE BCP GLOBAL EQUITY ABSOLUTE RETURN BOND?

The paragraph below displays how the investment is structured for a hypothetical €10,000 investor.

#### GROWTH PLUS VERSION

The Growth Plus Version provides 92% capital security by placing 88.32% or €8,832 of your investment amount on deposit. This amount will grow to 92% or €9,200 by the end of the 5 year Term. The Bond offers a return of 200% of the positive Performance of the underlying Fund, less the 8% capital at risk, less any Performance Fee. 9.10% or €910 of your investment amount will be used to purchase this return. If the Performance of the Fund is negative at the end of the 5 year Term, you will receive 92% of your capital invested. This payment represents a 8% (CAR -1.65%) loss on your investment over the period. BCP will receive a fee of 2.58% or €258 for manufacturing, distributing and administering the Bond, equivalent to 0.52% per annum. As described previously on page 4, a Performance Fee of 1% will be paid to BCP in addition to the fees above if the Gross Return on this version of the Bond is between 18% and 39.99% at maturity. If the Gross Return on this

version of the Bond is 40% or more then a Performance Fee of 2% will be paid to BCP at maturity.

#### GROWTH VERSION

The Growth Version provides 97% capital security by placing 92.36% or €9,236 of your investment amount on deposit. This amount will grow to 97% or €9,700 by the end of the 5 year Term. The Bond offers a return of 120% of the positive Performance of the underlying Fund, less the 3% capital at risk, less any Performance Fee. 5.46% or €546 of your investment amount will be used to purchase this return.

If the Performance of the Fund is negative at the end of the 5 year Term, you will receive 97% of your capital invested. This payment represents a 3% (CAR -0.61%) loss on your investment over the period.

BCP will receive a fee of 2.18% or €218 for manufacturing, distributing and administering the Bond, equivalent to 0.44% per annum. As described previously on page 4, a Performance Fee of 1% will be paid to BCP in addition to the fees above if the Gross Return on this version of the Bond is between 18% and 39.99% at maturity. If the Gross Return on this version of the Bond is 40% or more then a Performance Fee of 2% will be paid to BCP at maturity.

### DO I HAVE ACCESS TO MY INVESTMENT?

No withdrawals may be made before the maturity of the Bond on 24th June 2021. You have the right to cancel your application for the Bonds within two weeks of the date you sign it but no later than the Closing Date.

### WHAT HAPPENS IF I DIE BEFORE THE BOND MATURES?

Where an investment is made on behalf of a self-directed or self administered pension plan, in the event of death of a member prior to the expiry of the term, the Bond may be redeemed at its realisable value as determined by BCP based on a calculation by the Bank which may be more or less than the capital secure amount. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate.

Early redemption fees may apply on any early exit from this investment.

### WHAT ABOUT TAX?

This Bond is available to pension platform investors only. Pension platform investors are currently exempt from Deposit Interest Retention Tax. Investors should satisfy themselves in relation to the Revenue reporting requirements and the implications of non-disclosure where required.

## TERMS & CONDITIONS

### 1. DEFINITIONS

- 1.1 'you/your/investor' means the customer(s) who is/are investing funds in the BCP Global Equity Absolute Return Bond – Growth Plus Version and/or the BCP Global Equity Absolute Return Bond - Growth Version.
- 1.2 'the Bond', 'the Bonds' mean the BCP Global Equity Absolute Return Bond – Growth Plus Version and/or the BCP Global Equity Absolute Return Bond - Growth Version provided by BCP in accordance with these Terms and Conditions.
- 1.3 'the 5 year Term' means the duration of the investment which is placed in the 5 year Bond commencing on 24th June 2016 and maturing on 24th June 2021.
- 1.4 'Interest' means the interest calculated in accordance with Section 6 below.
- 1.5 'the Bank', 'Bank of Ireland' mean The Governor and Company of the Bank of Ireland and its successors, assigns and transferees.
- 1.6 'BCP' means BCP Asset Management DAC and its successors, assigns and transferees.
- 1.7 The 'Fund' means the Old Mutual Global Equity Absolute Return (GEAR) Fund. The Bloomberg code is OMEAHA.
- 1.8 'Performance of the Fund' is defined in 6.2 below.
- 1.9 'Performance of the Bond Version' is defined in 6.3 below.
- 1.10 'Gross Return of the Bond Version' is defined in 6.4 below.
- 1.11 'Performance Fee' is defined in 6.5 below.

### 2. YOUR INVESTMENT

- 2.1 BCP will lodge your investment in the Bonds to a clearing account at the Bank. The funds will then be swept to a client asset account with the Bank in the name of BCP. You will receive a confirmation from the Bank of your investment in the Bonds.
- 2.2 At the end of the 5 year Term, on advice from BCP, the Bank will pay (1) 92% of the capital invested in the Growth Plus Version and/or (2) 97% of the capital invested in the Growth Version, together with any Interest earned on the capital invested.
- 2.3 Your money is not invested in the Fund, therefore, the investment does not benefit from any dividends paid by the Fund. However, any dividends received from equities, coupons received from bonds or interest from cash deposits are all included in the investment return for investors.

### 3. AVAILABILITY

- 3.1 The closing date for applications is 14th June 2016, or earlier if fully subscribed (the 'Closing Date'). The Closing Date is the final date on which BCP can receive fully completed applications for the Bond(s).
- 3.2 The minimum investment is €20,000.
- 3.3 The Bond is available to individuals who are aged 18 or over wishing to invest their pension funds.

### 4. COOLING OFF PERIOD

You have the right to cancel this contract prior to the Closing Date of the Bond. If you wish to cancel, written notice must be received by BCP Asset Management DAC at 71 Upper Leeson Street, Dublin 4 within two weeks of your application but no later than 14th June 2016.

### 5. WITHDRAWALS

- 5.1 No withdrawals may be made from the Bond before the end of the 5 year Term.
- 5.2 Where an investment is made on behalf of a self directed or self administered pension plan, in the event of death of a member prior to the expiry of the 5 year Term, the Bond may be redeemed, subject to the terms of the rules of the underlying scheme or policy, at its realisable value as determined by BCP and the Bank which may be more or less than the capital secure amount. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate.
- 5.3 Early redemption fees may apply on any early exit from this investment.

### 6. INTEREST

- 6.1 The Interest credited by the Bank to the 5 year deposit on maturity is calculated as the Performance of the Bond less the Performance Fee, and is calculated in accordance with 6.2, 6.3, 6.4 and 6.5. This Interest, if positive, will be added to the capital secure amount to calculate the final return.
- 6.2 Performance of the Fund is calculated as  $(\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$  where (1) the Initial Price of the Fund is the closing level of the Fund on 20th June 2016 or the next business day for the Fund; (2) the Final Price is the simple average of the Fund values taken at monthly intervals from and including 20th December 2019 to 20th June 2021.
- 6.3 Performance of the Bond Version is calculated as (Positive Performance of the

Fund x Participation) where Participation for the Growth Plus Version is 200% and Participation for the Growth Version is 120%.

- 6.4 Gross Return of the Bond Version is calculated as  $(\text{Performance of the Bond Version} - \text{Capital at Risk})$  where Capital at Risk is 8% for the Growth Plus Version and 3% for the Growth Version.
- 6.5 The Performance Fee is 1% where the Gross Return at maturity for that Bond Version is between 18% and 39.99% (i.e. the gross realisable value is between 118% and 139.99% of the capital invested). If the Gross Return of the Bond is 40% or higher then a Performance Fee of 2% will be paid to BCP at maturity (i.e. the gross realisable value is at least 140% of the capital invested).
- 6.6 If the Performance of the Fund is negative, at maturity you will receive 92% of the capital invested in the Growth Plus Version and 97% of the capital invested in the Growth Version.
- 6.7 Should any event occur during the 5 year Term which in BCP's absolute discretion constitutes a substantial change to the Fund, force majeure or hedging disruption, BCP shall be entitled to substitute the Fund with another Fund, to unwind the Bonds at the then current market value or to suspend operations of the Bonds during any period in which such event continues and thereafter until the end of the 5 year Term. On suspension, the Bank shall arrange for the investment accrued to be placed on deposit for the aforesaid period, on terms to be agreed between BCP and the Bank at their absolute discretion. BCP will notify the investors of the occurrence of any such event in such manner as BCP deem appropriate. Neither BCP, the Bank, nor their agent(s) shall be liable for any loss howsoever suffered by the investor if there is any total or partial failure of performance resulting from any such event or any other causes beyond the control of BCP, the Bank or their agent(s).
- 6.8 Should an adjustment event occur during the 5 year Term which affects the Fund or the value of any unit of the Fund including, without limitation: a split, consolidation or reclassification of the units, or a distribution in the form of dividends which does not comply with the usual dividend policy of the Fund, or any other similar event which in the opinion

## TERMS & CONDITIONS

of BCP requires an adjustment, BCP shall be entitled, after consultation with the Bank and at its absolute discretion, to adjust any relevant terms of the Bonds to preserve the economic equivalent of your investment prior to the occurrence of such adjustment event.

6.9 No interest will be paid to you on your initial investment in relation to the period up to 24th June 2016.

### 7. MATURITY

BCP will contact you before the Bond matures to advise of repayment and reinvestment opportunities available at that time. At maturity on 24th June 2021 BCP will, following receipt of your instructions, arrange for the payment of maturity proceeds by electronic fund transfer amounting to the capital sum secured together with any Interest earned to your pension platform provider OR reinvest the proceeds as instructed. If for any reason Interest on the Bond cannot be determined by the maturity date, the capital sum secured and any Interest will be paid to your pension platform provider, 2 business days after the Interest can be determined.

### 8. COMPLAINTS

Any complaint about the sale of the Bond should be made to your Adviser or the intermediary through whom you invested. A complaint about any other aspect of the Bonds should be made to BCP. Any such complaints will be investigated in accordance with BCP's complaints policy, details of which are available from BCP.

### 9. CONFIDENTIALITY

BCP and the Bank observe a strict duty of confidentiality about your financial affairs. Save at your request or with your consent, neither BCP nor the Bank will disclose any details relating to your investment to anyone else other than in the following circumstances:

- to comply with a Court Order.

- to comply with a direction or request from a statutory or regulatory body entitled to such details.
- in accordance with any applicable legislation.

### 10. DATA PROTECTION

Both BCP and the Bank are registered under the Data Protection Acts 1988 and 2003 and your personal data held by BCP and the Bank will be maintained in accordance with the obligations of the Acts and subsequent legislation.

*Customer Information Notice (Non-Resident Clients)*

BCP have an obligation pursuant to the S891F of the Taxes Consolidation Act, 1997 (as amended), to transmit data to the Revenue Commissioner for all Non-Resident Clients in respect of all interest paid to Non-Resident Clients including personal data held by BCP.

The Revenue Commissioner may share this data with other tax authorities as part of an Automatic Exchange of Information. Further information on the Automatic Exchange of Information can be found here: <http://www.revenue.ie/en/business/aeoi/index.html>

### 11. CANCELLATION

If total funds received from investors at the Closing Date are deemed to be insufficient or if hedging conditions are adverse, BCP reserves the right not to proceed with the Bond issue and to repay investors.

### 12. BOND OPERATION

Neither BCP, the Bank nor their agent(s) will be liable for any loss you may suffer if BCP, the Bank or their agent(s) is prevented from providing any service as a result of industrial action, power failure or other cause beyond the reasonable control of BCP, the Bank or their agent(s). The Bank acts as deposit taker only and is not liable for the responsibilities of BCP to you in relation to the Bond, this brochure or for any other information provided to you by BCP. The Bank is not offering financial or tax advice to BCP or investors. It does not make

any representation, express or implied, as to the investment terms or the performance of the Bond. Any such statements herein, as well as all other statements regarding the Bond, are the sole responsibility of BCP.

### 13. VARIATION

These Terms and Conditions may be changed if a decision, recommendation or change is made by a Court, Regulator, Ombudsman or by legislation. BCP will notify you personally of any changes and will endeavour to give you at least 1 month's notice.

### 14. CLIENT ASSET ACCOUNTS

This product is deposit based and Bank of Ireland is the underlying deposit taker. Investors will receive confirmation of their investment from Bank of Ireland. On maturity, the proceeds of the investment, minus any applicable Performance Fee paid to BCP, will only be paid to investors. Client asset accounts contain funds which are pooled with other clients' funds. Investors have a claim against the client assets pool in a specific account. Funds are not afforded protection under the Client Asset Regulations 2015 until they are swept from the clearing account at the Bank into the BCP client asset account.

### 15. GOVERNING LAW AND JURISDICTION

Our relationship with you and these Terms and Conditions are governed by and shall be construed in accordance with the laws of Ireland. By signing the application form and subsequent investment instruction form as issued by your pension platform provider, you agree that any dispute may be resolved by the courts of Ireland.

### 16. CAPITAL SECURITY

Capital security at maturity is provided by Bank of Ireland. In the event Bank of Ireland fails to meet its liabilities, you could lose some or all of your money. Note your investment is not covered by the Deposit Guarantee Scheme.



BCP Asset Management DAC  
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BCP Asset Management DAC, trading as BCP, is regulated by the Central Bank of Ireland. Registered in Ireland number 92930.  
Registered office 71 Upper Leeson Street, Dublin 4, Ireland. VAT number IE4693404F.  
Bank of Ireland is regulated by the Central Bank of Ireland.